

**MOTION NO. M2012-81****Interlocal Agreement with City of Seattle for Ballard to Downtown High-Capacity Transit Study**

<b>MEETING:</b>	<b>DATE:</b>	<b>TYPE OF ACTION:</b>	<b>STAFF CONTACT:</b>	<b>PHONE:</b>
Capital Committee	11/08/2012	Recommend to Board Final Action	Ric Ilgenfritz, ED, Planning, Environment, and Project Development <b>Karen Waterman, Planning and Project Development Manager</b>	206-398-5239 206-398-5191

**PROPOSED ACTION**

Authorizes the chief executive officer to execute an agreement with the City of Seattle to complete the Ballard to Downtown High-Capacity Transit Planning Study in the amount of \$2,000,000 with a contribution from the City of Seattle of up to \$800,000, for a total authorized agreement amount not to exceed \$2,800,000.

**KEY FEATURES SUMMARY**

- The agreement between Sound Transit and the City of Seattle would fund a high-capacity transit (HCT) planning study within the Ballard to Downtown Seattle corridor, and establish roles and responsibilities for completing the study.
- Sound Transit will manage the study scope, schedule, and budget and the City of Seattle will coordinate with Sound Transit on the city-related specific study tasks under the agreement.
- The results of the planning study will provide information to the Board to update the 2005 Regional Transit Long-Range Plan and establish priorities for the next phase of HCT system development, as well as advance implementation for the City of Seattle of the high-capacity transit corridor as described in the 2012 Seattle Transit Master Plan (TMP).
- Accelerates \$2.0 million (2012 dollars) from 2017 to 2013-14 for the Ballard to Downtown HCT.
- The contract award for this study is scheduled for the December capital committee, pending approval of this agreement.
- The study is anticipated to begin in January 2013 and to be completed by the 2<sup>nd</sup> quarter of 2014.

**BACKGROUND**

ST2 included funding to begin planning for the next phase of HCT implementation by studying a number of potential corridors. One of the corridors for study is the U District-to-Ballard-to-Downtown Seattle corridor. The Adopted 2012 Budget includes funding for a Ballard to Downtown Seattle HCT study with Resolution No. R2011-18. The Resolution also sought a partnership with the City of Seattle to examine streetcar alternatives in the corridor.

The Adopted 2012 Budget includes \$2 million “to reflect a partnership with the City of Seattle to co-fund and co-manage a study of the Ballard-to-Downtown (e.g., Westlake area or International District) HCT corridor -- a segment of the ST2-funded U-District-to-Ballard-to-Downtown HCT planning study and to reflect a Sound Transit contribution of \$2,000,000.” The amendment said “This work will coordinate with the City’s Transit Master Plan and their recently received FTA AA grant for the City Center Transit Connector. Study will narrow the range of alternatives and modes, evaluate routes and station locations, include a preliminary environmental assessment, and

position the Sound Transit Board to update the *Long-Range Plan* and establish priorities for the next phase of HCT system development.”

This interlocal agreement is designed to establish the partnership identified in the Resolution. In April 2012 Seattle Transit Master Plan, which examined rapid streetcar, found that this corridor had the greatest potential for net new transit riders. Because the City is willing to reimburse Sound Transit the cost of adding the cost analyzing rapid streetcar in the corridor (up to \$800,000), the analysis are being completed in one study, which will help achieve economies of scale. It should be noted that the City of Seattle is not required to have HCT transportation services “operating principally on exclusive rights of way” like Sound Transit.

Resolution No. R2011-18 requires that the agreement between the City of Seattle and Sound Transit be approved by the Sound Transit Board of Directors and identifies certain conditions that must be met before the study could proceed. Staff must present to the Board:

- Analyses of any impact on development and/or voter approval of a potential “ST3” package,
- Potential impacts on the agency’s federal grants program,
- Financial analysis of any impacts on the delivery of the entire ST2 program,

Information regarding each of the criteria identified by Resolution No. R2011-18 is as follows:

Analysis of any impact of development and/or voter approval of a potential “ST3” package:

The HCT Corridor Planning studies in the ST2 plan, including the Ballard to Downtown Seattle corridor, could potentially be included in an ST3 package. These studies do not impact other potential facets of ST3 decision making (such as financial capacity, timing, etc). This joint study between Sound Transit and the City of Seattle will allow the results to be used by both parties for future planning purposes.

Potential impact on the agency’s federal grants program

The Ballard to Downtown Seattle HCT Corridor was included in ST2 as a planning study. There was no assumption of federal funding for engineering, design, or construction of the Ballard to Downtown Seattle HCT Corridor planning study. The inclusion of the City of Seattle’s streetcar has no immediate, direct impact on Sound Transit’s federal grants program. Until the other seven HCT Corridors Planning studies included in ST2 are complete, it is not known how the ST Long Range Plan will need to be updated, how many may be advanced to ST3, or even if federal funding will be sought for these corridors.

Overall, federal grants programs are becoming more competitive. Under the new federal transportation authorization, known as MAP-21, there is \$1.09 billion available across the United States for the Major Fixed Guideway Capital Investment in the New Starts and Small Starts (including Very Small Starts) grants programs in FY 2013, almost 10% less than was available in FY 2012. Also within MAP-21, a new category of projects has been allowed to compete for this funding: projects that expand the core capacity of existing major transit corridors. Any additional projects that are advanced by the City of Seattle through this process will add to the competitive nature of the New Starts program. Federal grants impacts will depend on the amount of funding sought by the City of Seattle. The federal funding thresholds levels for the Small Starts program and Very Small Starts program are listed below.

<b>Program</b>	<b>Maximum Project Cost</b>	<b>Maximum Federal Contribution</b>
Small Starts	\$250 Million	\$75 Million
Very Small Starts	\$50 Million	\$25 Million

A financial analysis of any impacts on the delivery of the entire ST2 program.

Accelerating \$2.0 million (2012 dollars) in capital spending from 2017 to 2013-14 for the Ballard to Downtown HCT study results in the following:

- Interest expense on bonds issued earlier than previously planned increases by approximately \$226K, which is offset by lower capital costs in year-of-expenditure dollars due to avoidance 3 to 4 years of inflation on program spending of \$237K.

In summary, the net financial impact to the ST2 financial plan for accelerating the HCT planning study is negligible to the financial plan, and will have no impact on the agency's ability to deliver any programs in the realigned ST2 program.

## **FISCAL IMPACT**

Sound Transit is contributing up to \$2,000,000. The City of Seattle will be contributing up to \$800,000.

In the 2012 TIP, budget for this work was included within ST3 Planning as an HCT corridor study. In the proposed 2013 TIP, the Ballard-to-Downtown Seattle HCT Planning Study is included as its own project. The Proposed 2013 TIP includes \$1,964,000 in 2013 and \$836,000 in 2014 for the project.

The amount of this action is within the Proposed 2013 Budget and after approval of action, adequate budget will remain to fund contingency and agency administrative costs.

## **SMALL BUSINESS PARTICIPATION**

Not applicable to this action.

## **EQUAL EMPLOYMENT WORKFORCE PROFILE**

Not applicable to this action.

## **PUBLIC INVOLVEMENT**

Not applicable to this action.

## **TIME CONSTRAINTS**

A one month delay would cause the procurement award to and the NTP to be delayed by approximately a month.

## **PRIOR BOARD/COMMITTEE ACTIONS**

Resolution No. R2011-18: Adopting an annual budget for the period from January 1 through December 31, 2012.

## **ENVIRONMENTAL REVIEW**

Jl 11/1/2012

## **LEGAL REVIEW**

PW 11/2/2012